

BEST AVAILABLE COPY

NONDISCLOSURE AGREEMENT

This Agreement is made as of the 2nd day of February, 1998, between Pro-Neuron, Inc., a California corporation having a principal place of business at 16020 Industrial Drive, Gaithersburg, Maryland 20877 (hereinafter "PRO-NEURON") and Dr. Robert K. Naviaux, M.D., Ph.D., having a principal place of business at University of California, San Diego Mitochondrial and Metabolic Disease Center (hereinafter "DR. NAVIAUX").

WHEREAS, PRO-NEURON has developed confidential and proprietary information relating to certain pharmaceutical compounds and their use, such proprietary information being hereinafter referred to as the "CONFIDENTIAL INFORMATION"; and

WHEREAS, PRO-NEURON and DR. NAVIAUX wish to conduct preliminary discussions which may lead to DR. NAVIAUX and PRO-NEURON establishing a business relationship;

NOW, THEREFORE, PRO-NEURON and DR. NAVIAUX agree as follows:

1. DR. NAVIAUX hereby represents that he has no existing clients or obligations to others with respect to the CONFIDENTIAL INFORMATION.
2. It is agreed that the parties will conduct initial discussions and that in such discussions:
 - (a) PRO-NEURON may disclose CONFIDENTIAL INFORMATION to DR. NAVIAUX, but that
 - (b) DR. NAVIAUX will not disclose confidential information to PRO-NEURON.
If upon receiving CONFIDENTIAL INFORMATION, DR. NAVIAUX shall become aware that he has a client or obligation which is an impediment to further discussion, then he shall immediately advise PRO-NEURON and return all CONFIDENTIAL INFORMATION theretofore provided by PRO-NEURON.
3. DR. NAVIAUX agrees to hold in confidence all CONFIDENTIAL INFORMATION received by him from PRO-NEURON hereunder and shall not (i) disclose said CONFIDENTIAL INFORMATION to any person, or (ii) use said CONFIDENTIAL INFORMATION for any purpose other than those designated in writing by PRO-NEURON. The obligations of confidentiality and non-use assumed herein shall not apply to:
 - (a) Information which at the time of disclosure is in a single document in the public domain; or
 - (b) information which, after disclosure, becomes part of the public domain in a single document by publication or otherwise through no act or omission of DR. NAVIAUX; or
 - (c) Information which DR. NAVIAUX can establish by written records was in his possession at the time of disclosure; or
 - (d) information received from a third party who is not under an obligation of confidentiality to PRO-NEURON.

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Information required to be disclosed by law or court order may be disclosed only for such limited requirement but only under the highest degree of confidentiality possible. DR. NAVIAUX will promptly notify PRO-NEURON of any such disclosure.

All obligations of confidentiality and non-use under this Agreement shall expire on the 5th anniversary of the date of execution of this Agreement.

4. CONFIDENTIAL INFORMATION as used above, shall include all proprietary information and confidential information of PRO-NEURON which is owned, licensed to, or controlled by PRO-NEURON, and which may include, but is not limited to, methods, assays, data, processes, chemical formulas, instrumentation, manufacturing techniques, sales and marketing information, technical information, and know-how.
5. It is understood and agreed that any and all inventions or discoveries related to the CONFIDENTIAL INFORMATION which DR. NAVIAUX conceives or makes as a result of the CONFIDENTIAL INFORMATION received from PRO-NEURON shall be the sole and exclusive property of PRO-NEURON, unless otherwise agreed to in writing, and that DR. NAVIAUX will upon request of PRO-NEURON, promptly execute all applications, assignments, or other instruments which PRO-NEURON deems necessary in order to apply for and obtain patents in the United States and foreign countries on said inventions or discoveries, and in order to assign and convey to PRO-NEURON the sole and exclusive right, title, and interest in and to said inventions, discoveries, patent applications, and patents thereof. It is understood that PRO-NEURON will bear the cost of preparing patent applications and assignments and the cost of all such patent applications in the United States Patent Office and in the patent offices of foreign countries.
6. Nothing contained in this Agreement shall be construed, by implication or otherwise, as an obligation to enter into any further agreement concerning the CONFIDENTIAL INFORMATION, or as a grant of license by PRO-NEURON to DR. NAVIAUX to use the CONFIDENTIAL INFORMATION other than for the purposes of this Agreement.
7. This Agreement shall be governed by the laws of the State of Maryland, and the parties hereby submit to the jurisdiction of the Maryland courts, both state and federal.
8. No modification of this Agreement shall be effective unless made in writing and signed by a duly authorized representative of each party.

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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective duly authorized officers or representatives on the respective dates indicated below.

PRO-NEURON, INC.

DR. Robert K. Naviaux, M.D., Ph.D

Harvey Rabin, PhD
Senior Vice President

R.K. Naviaux
Dr. Robert K. Naviaux, M.D., Ph.D

Date:

Date: 2-2-98

Reviewed by Originator: _____

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